

IN THE HIGH COURT OF JUDICATURE, ANDHRA PRADESH
AT HYDERABAD
(Special Original Jurisdiction)

MONDAY, THE TWENTY EIGHTH DAY OF JUNE
TWO THOUSAND AND FOUR

PRESENT

THE HON'BLE MR JUSTICE S.ANANDA REDDY

WRIT PETITION NO : 10680 of 2004

Between:

M/s. Vardhman-Constructions, Contractors, SeetammaDHARA,
Visakhapatnam, Visakhapatnam-13, rep. By its Managing Partner,
G.Radhakrishna Raju.

..... PETITIONER

AND

- 1 The Chief Engineer, (R&B) Roads, Erramanzil, Hyd.
- 2 The Superintending Engineer, R&B Circle, Seetammadhara,
Visakhapatnam.
- 3 The Pay & Accounts Officer, YRC, Wing, Maharanipet,
Visakhapatnam-13.

.....RESPONDENTS

Petition under Article 226 of the constitution of India praying that in the circumstances stated in the Affidavit filed herein the High Court will be pleased to issue an appropriate writ, order or direction more particularly on in the nature of writ of mandamus declaring the action of the respondents in recovering the seigniorage fee on ordinary earth from the work bills of the petitioner in respect of Agreement C.R.No.37/2000-2001 and Agreement C.R.No.124/2001-2002 entered into with the 2nd respondent, as illegal, arbitrary and without authority of law and consequently direct the respondents not to recover the seigniorage fee on ordinary earth from the bills of the petitioner under the above said agreements.

Counsel for the Petitioner: MR.N.SIVA REDDY

Counsel for the Respondents: GP FOR ROADS & BUILDINGS

The Court made the following:

ORDER:

This writ petition is filed by the petitioner aggrieved by the action of the respondents in proposing to take the seigniorage fee on the ordinary earth in respect of the work entrusted to the petitioner under Agreement C.R.No.37/2000-2001 and Agreement C.R.No.124/2001-2002, entered into between the petitioner and the second respondent.

2. According to the petitioner, there is no provision under the agreements to recover any seigniorage charges from the petitioner on earth. It is also the case of the petitioner that the alleged seigniorage charge with reference to the earth was not even taken into account while assessing the cost of the work entrusted to the petitioner. Therefore, the petitioner sought for a direction not to take any seigniorage fee.

3. At the time of hearing, the learned counsel for the petitioner placed a copy of the judgment of a Division Bench of this Court in W.P.No.2054 of 2004, wherein the Division Bench passed the following order:

“Following the said view we allow the writ

petition directing the respondents not to collect any seigniorage charges from the petitioner for digging ordinary earth in respect of execution of contract work covered under the agreement. No costs. However, we make it clear that if the tax is included in the estimate on the earth work component, it can be deducted as per G.O.Ms.No.23 dated 05.03.1999”

4. In view of the above said order of the Division Bench, this writ petition is disposed of directing the respondents not to collect the seigniorage fee on the ordinary earth, if there is no specific reference in the terms of the agreements entered into between the parties and if the said seigniorage charges are not taken into account while assessing the cost of the work entrusted to the petitioner. No costs.

28th June, 2004

ASSISTANT REGISTRAR

//True Copy//

SECTION OFFICER

To

- 1 The Chief Engineer, (R&B) Roads, Erramanzil, Hyd.
- 2 The Superintending Engineer, R&B Circle, Seetammadhara, Visakhapatnam.
- 3 The Pay & Accounts Officer, YRC, Wing, Maharanipet, Visakhapatnam-13.
- 4 Two CCs to the Govt. Pleader for Roads & Buildings, High Court Buildings, Hyderabad (OUT)
- 5 Two CD copies.